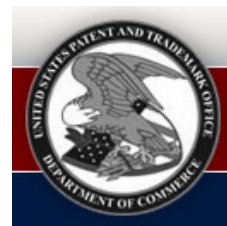




INTERNATIONAL  
**TRADE**  
ADMINISTRATION

## China IPR News for U.S. Industry June 20, 2008



**Disclaimer:** The China IPR News for U.S. Industry is a summary of publicly available information prepared by the United States Government and is intended for informational purposes only. The views and opinions expressed herein do not state or reflect those of the United States Government. The China IPR News for U.S. Industry may contain material subject to copyright; further reproduction and distribution shall be conducted in accordance with applicable copyright rules.

China IPR News for U.S. Industry is compiled by USPTO-China staff with support of the U.S. Mission IPR Task Force, the International Trade Administration, Office of China Economic Area and other colleagues in Washington, DC and in industry.

Subscription: If you would like to be added or deleted from the distribution list, or have questions, comments, or requests, please send to: [Chinaiprnews@mail.doc.gov](mailto:Chinaiprnews@mail.doc.gov). Kindly indicate in the subject line: "China IPR News for U.S. Industry". Past issues are available at [http://www.export.gov/china/archive\\_ipr\\_news.asp](http://www.export.gov/china/archive_ipr_news.asp)

\*\*\*\*\*

### PATENTS

**1. Potential Patent Disputes with Foreign Patent Holders Over Genetically Modified Rice:** Foreign patent holders, such as Monsanto, Rhone-Poulenc and Bayer, may become embroiled in patent disputes over three main varieties of genetically modified paddy rice that are being planted in China. The varieties are "Bt," "CpTI," and "CpTI/Bt." Currently, they are under review for qualification approval of commercialized planting. However, patent-infringement disputes may arise if these varieties of paddy rice are commercialized. (Source: *China IP News*, June 11, 2008, Page 9.)

### TRADEMARKS

#### 2. SAIC Confronts Trademark-Application Backlog:

On June 13, Fu Shuangjian, Deputy Director General of the State Administration for Industry and Commerce (SAIC), announced measures to accelerate the trademark registration process and to attempt to reduce the backlog of trademark applications within three years at the Chinese Trademark Office (CTMO). The SAIC is the CTMO's parent agency. Mr. Fu said that one of the tasks in China's National Intellectual Property Strategy is to improve the capacity of trademark examination and shorten the period required to register a trademark. In 2001, the CTMO received 270,000 trademark applications. In 2007, that number increased to 700,000, resulting in the current backlog and increased pendency. Mr. Fu announced that SAIC would rely primarily on three measures. First, the SAIC has recruited 400 "Trademark Examination Assistants" to increase trademark-examination capacity. Second, the SAIC has reorganized its internal departments to improve examination efficiency. Third, the SAIC has established mechanisms to encourage trademark examiners to handle more applications. Based on the above measures, the CTMO examined 405,000 trademark applications in 2007, 29.3% more than in 2006. Through May 31, 2008, the CTMO examined 190,000 applications, 76.1% more than the same period in 2007. (Source: <http://www.chinantd.com/en/en-newsshow.asp?id=798>.)

#### 3. Pfizer Wins Well-known Trademark Status through Domain-Name Case in Dalian:

The Dalian Intermediate People's Court has determined that "Pfizer" is a well-known trademark. Pfizer Pharmaceuticals Limited brought suit against a defendant named Yang. On July 21, 2007, Mr. Yang had registered "Pfizer Dalian" as a domain name. Pfizer Pharmaceuticals Ltd. then filed suit against Mr. Yang in Dalian Intermediate People's Court, seeking recognition of "Pfizer" as a well-known

trademark, requesting that Yang stop using the mark “Pfizer Dalian,” cancellation of the “Pfizer Dalian” domain name, and demanding payment of RMB 5,000 in attorney fees. (Source: <http://www.chinacourt.org/html/article/200806/02/305025.shtml>.)

## COPYRIGHTS

### 4. Three Ministries to Protect Olympic

**Broadcasts:** On June 6, 2008, the National Copyright Administration of China (NCAC), the Ministry of Public Security (MPS), and the Ministry of Information Industry (MII) jointly issued the “Notice on the Implementation Plan of the 2008 Special Action against Internet Piracy.” From June 12 to October 15, the nationwide Special Action will combat unauthorized re-transmission of Olympic sports games over the Internet or via cellular telephones. Stopping piracy on video web sites is another key focus. To coordinate actions across China, the NCAC will establish an Office for Special Action against Internet Piracy. The NCAC, the MPS, the MII, the Supreme People’s Court, and the Supreme People’s Procuratorate will work in concert to provide unified guidance on handling internet piracy cases as possible criminal cases. According to Mr. Xu Chao, the Deputy Director General of the NCAC, during the 2008 Beijing Olympic Games, any individual person or web site caught recording and uploading live sports games onto the internet, whether for commercial or non-commercial purposes, will be punished. The highest administrative fine for such action is RMB 100,000. Mr. Xu also encouraged copyright holders and citizens to use the complaint portal on the NCAC’s web site, and to call the anti-piracy hotline at “12390” to help enforcement agencies investigate and punish piracy. (Source: *China Press and Publication Journal*, June 13, 2008, Pages 1 and 7.)

## TRADE SECRETS

### 5. Shantou “12312” IPR Hotline Complaint Leads

**to Prison for Trade-Secret Infringer:** A call to the “12312” IPR complaint hotline in Shantou, Guangdong Province, exposed an infringer of trade secrets. In April 2007, the Shantou F.T.Z. SanBao Pearl Luster Mica Tech Co., Ltd. (SanBao) called Shantou’s “12312” IPR hotline, complaining that Mr. Yang of the Wenzhou Kuncai Pearl Luster Pigment Co., Ltd. (Kuncai) infringed on SanBao’s trade secrets concerning preparation and use of mica powder. The Shantou IPR Complaint Center transferred the case to the Shantou Public Security Bureau (PSB). The IPR team of the PSB’s Economic Crimes Investigation Division (ECID) investigated the complaint. On July 20, 2007, the ECID arrested Mr. Yang for infringing trade secrets. On April 8, 2008, the People’s Procuratorate of Haojiang District,

Shantou, commenced its criminal prosecution against Yang before the People’s Court of Haojiang District. In the first-instance judgment, the Court sentenced Yang to one year in prison and levied a fine of RMB 50,000 for misappropriating another’s trade secrets. (Source: *China IP News*, June 4, 2008, Page 5.)

## ENFORCEMENT

### 6. Beijing Procuratorate Wins Award for

**Criminal IPR Enforcement:** As previously noted in IPR Notes, for the third consecutive year, the Quality Brands Protection Committee (QBPC) has recognized the Haidian District People’s Procuratorate in Beijing for its criminal IPR prosecution efforts. The Zhongguancun area of the Haidian District is known as China’s “Silicon Valley.” The Haidian District People’s Procuratorate is one of only four Procuratorates in China to have won this award.

Normally in China, IPR cases are transferred from administrative authorities to the Public Security Bureau (PSB) if the evidence merits criminal investigation. If the PSB’s investigation supports a criminal case, it is transferred to the Procuratorate for prosecution. In contrast, the Haidian Procuratorate teams with the Haidian PSB at the outset to identify major, difficult, or new IPR cases, resulting in coordinated investigations, evidence collection, and successful criminal prosecutions. The Haidian Procuratorate has trained a group of multi-discipline case handlers, who understand criminal as well as intellectual-property law, and work closely with administrative authorities where the evidence trail begins as well as with rights holders. (Source: *China IP News*, June 4, 2008, Page 6.)

### 7. Shanghai Custom’s IPR Enforcement Director

**Promoted to No. 2 Position:** Chen Xudong, the former director of the Law Department of the Shanghai Customs which handles IPR matters, has been appointed as Deputy Director of and spokesman for Shanghai Customs. During his tenure with Shanghai Customs, he has had experience with IPR enforcement activities and issues. (Source: [http://www.cnr.cn/2004news/internal/200803/t20080329\\_504749074.html](http://www.cnr.cn/2004news/internal/200803/t20080329_504749074.html), March 29, 2008.)

### 8. Shenzhen Combats Non-Drugs Disguised as

**Drugs:** In the half-year special “Rectification Campaign against Non-Drugs Disguised as Drugs,” the Shenzhen Food and Drug Administration (FDA) has seized a number of non-drug products masquerading as pharmaceuticals to deceive consumers. The Shenzhen FDA warns consumers that ordinary foodstuffs, health foodstuffs, and sterilization products can be labeled falsely with claims extolling their ersatz “notable curative effects.” The Shenzhen FDA cautioned consumers

not to buy such falsely labeled “drugs” in drugstores, and warned Shenzhen drugstores against selling such products, assuring that it will impose punishment if consumer whistle blowing or complaints exposes these products. (Source: *China IP News*, June 4, 2008, Page 5.)

## GENERAL IPR NEWS

### 9. Guangdong’s Zhuhai Launches IPR

**Electronic-Evidence-Protection Website:** The municipality of Zhuhai, Guangdong Province, has initiated the “Zhizheng Website,” an IPR electronic-evidence-protection website based on digital certificates, which uses electronic authentication and other high-tech means to create relevant time-limited evidence for individuals or businesses that create and own intellectual property. This website provides users with authoritative and credible time signatures and authentication. Using the “Wang Zheng Tong” proprietary digital certificate, which Chinese authorities recognize, users can affix an electronic signature to their innovation results and any other intellectual property that exists in the form of an electronic file, such as logos, text, artwork, photos, graphic works, industrial designs, technical design plans, and even trade secrets, including development plans, project plans, and operational documents. The files with electronic signatures have time stamps that cannot be altered. (Chinese Source: *China IP News*, June 4, 2008, Page 5.)

\*\*\*\*\*